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**Appendix A**

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**San Gabriel Valley Water Company  
Fontana Water Company Division**

**Adopted Summary of Earnings  
(Dollars in Thousands)**

	<u><b>TY 2006-2007</b></u>		<u><b>TY 2007-2008</b></u>
	<u>Authorized Rates</u>		<u>Authorized Rates</u>
Operating Revenue			
Operating Expenses			
Purchased Water & Assess.			
Purchased Power			
Chemicals			
Payroll			
Materials & Supplies			
Transportation			
Pensions & Benefits			
Uncollectibles			
Franchise Fees			
Outside Services			
Insurance			
Other O&M Expense			
Other A&G Expense			
Bank Charges			
Subtotal			
Allocated Common			
Total Operating Exp.			
Depreciation			
Ad Valorem Taxes			
Payroll Taxes			
Total Expense before Inc. Tax			
Net Revenue before Inc. Tax			
State Income Tax			
Federal Income Tax			
Total Operating Expense			
Net Operating Revenues			
Rate Base			
Rate of Return			

(continued)

<b>Appendix A</b> Page 2 of 3		
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>		
<b>Adopted Utility Plant, Depreciation Reserve, and Rate Base</b> <b>(Dollars in Thousands)</b>		
	<b><u>TY 2006-2007</u></b>	<b><u>TY 2007-2008</u></b>
Utility Plant		
Plant BOY		
CWIP BOY		
Utility Additions		
Advances		
Contributions		
Total Additions		
Retirements		
Transfers & Adjustments		
Plant EOY		
CWIP EOY		
Weighted Plant Additions		
Weighted Average Plant		
Depreciation Reserve		
Reserve BOY		
Contributions		
Depreciation Expense		
Clearing Account		
Total Accrual		
Retirements		
Reserve EOY		
Weighted Accrued Additions		
Wtd. Average Depreciation Reserve		
RATE BASE		
Utility Plant		
Materials & Supplies		
Operational Cash Allowance		
Working Cash – Lead Lag		
Depreciation Reserve		
Advances for Construction		
Contributions		
Deferred Income Taxes		
Deferred ITC		
Investment – Fontana Union Water		
Taxes on Advances and CIAC		
District Rate Base		
Common Utility Allocation		
Average RATE BASE		

(continued)

<b>Appendix A</b> Page 3 of 3		
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>		
<b>Adopted Income Tax Calculation</b> <b>(Dollars in Thousands)</b>		
	<u><b>TY 2006-2007</b></u>	<u><b>TY 2007-2008</b></u>
Operating Revenue		
Purchased Power		
Purchased Water		
Chemicals		
Payroll		
Materials & Supplies		
Transportation		
Pensions & Benefits		
Uncollectibles		
Franchise Fees		
Outside Services		
Insurance		
Other O&M Expense		
Other A&G Expense		
Bank Charges		
Allocated Common		
Ad Valorem Taxes		
Payroll Taxes		
Subtotal		
Interest		
Total Deductions		
Taxable Income		
State Tax Depreciation		
Net Taxable Income		
State Corp. Franch. Tax @ 8.84%		
Amortization of CIAC Tax		
Total State Income Tax Expense		
Federal Tax Depreciation		
Production Activities Deduction		
Federal Taxable Income		
Fed. Income Tax @35%		
Amortization of CIAC Tax		
Total Federal Income Tax Expense		
Total Taxes		

(End of Appendix A)

<b>Appendix B</b> Page 1 of 6			
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>			
1.	Net-to-Gross Multiplier:		
2.	Federal Income Tax Rate:		
3.	State Income Tax Rate:		
4.	Franchise Fee Rate:		
5.	Uncollectibles Rate:		

### 6. Number of Services & Supply: Adopted Quantities

	<b>No. of Services</b>			<b>Ccf/</b>	<b>Usage - Ccf</b>		
<b>Class</b>	<b>'06-'07</b>	<b>'07-'08</b>	<b>'08-'09</b>	<b>Customer</b>	<b>'06-'07</b>	<b>'07-'08</b>	<b>'08-'09</b>
Residential							
Commercial							
Industrial, Small							
Industrial, Large							
California Steel Industries							
Cemex – contract							
Cemex – tariff							
Public Authority, Small							
Public Authority, Large							
Construction							
Subtotal							
Private Fire Service							
Total							
Water Loss @ 6.2%							
Total Water supply, KCcf							
Total Water supply, AF							

(continued)

<b>Appendix B</b> Page 2 of 6
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>
<b>Adopted Quantities</b> <b>Test Year 2006-2007</b>

**7. Water Supply Quantities & Cost (continued):**

<u>Item</u>	<u>Unit Cost</u> <u>(\$/AF)</u>	<u>Quantity Basis</u> <u>(AF)</u>	<u>Total Cost</u> <u>or Assessment</u> <u>(\$000)</u>
<u>Chino Basin Wells</u>			
Replenishment Assessment			
Administrative Assessment			
OBMP Assessment			
Appropriative Pool & 85/15/ Assess.			
Land Use Conversion Assessment			
Appropriative Rights			
Leases			
Subtotal			
<u>Non-Chino Basin Wells</u>			
FWC Share			
CCWD Share Purchased			
Subtotal			
<u>Lytle Creek Surface Water</u>			
FWC Share			
CCWD Share Purchased			
Subtotal			
<u>Other</u>			
SWP Purchases – MWD			
SWP Purchases – SBVMWD			
CCWD Emergency Purchases			
IEUA Assessment (active meters)			
Water Stock Assessments (shares)			
Subtotal			
DRA Adjustment @ Composite AF Rate			
Total			
Composite			

(continued)

<b>Appendix B</b>		
Page 3 of 6		
<b>San Gabriel Valley Water Company</b>		
<b>Fontana Water Company Division</b>		
<b>Adopted Quantities</b>		
<b>(Dollars in Thousands)</b>		
<b><u>Test Year 2006-2007</u></b>		

**8. Purchased Power Costs**

Schedule PA-1		
Schedule PA-2		
Schedule GS-1		
Schedule GS-2		
Schedule TOU-8		
Schedule TOU-PA-B		
Schedule TOU-PA-5		
Total \$		
Total kWh		
\$/kWh		

(continued)

<b>Appendix B</b> Page 4 of 6
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>
<b>Adopted Quantities</b>

**9. Number of Services by Meter Size**

	<b>TY</b> <b><u>2006-2007</u></b>	<b>EY</b> <b><u>2007-2008</u></b>	<b>EY</b> <b><u>2008-2009</u></b>
<u>Residential</u>			
5/8 x 3/4-in.			
3/4-in.			
1-in.			
1.5-in.			
2-in.			
3-in.			
Subtotal			
<u>Commercial</u>			
5/8 x 3/4-in.			
1-in.			
1.5-in.			
2-in.			
3-in.			
4-in.			
6-in.			
8-in.			
10-in.			
2-2-in.			
3-2-in.			
4-2-in.			
2-4-in.			
Subtotal			
<u>Industrial, Small</u>			
5/8 x 3/4-in.			
1-in.			
1.5-in.			
2-in.			
Subtotal			

(continued)

<b>Appendix B</b> Page 5 of 6
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>
<b>Adopted Quantities</b>

**9. Number of Services by Meter Size**

	<b>TY</b> <b><u>2006-2007</u></b>	<b>EY</b> <b><u>2007-2008</u></b>	<b>EY</b> <b><u>2008-2009</u></b>
<u>California Steel Industries</u>			
10-in.			
<u>Cemex USA</u>			
2-in.			
10-in.			
<u>Industrial, Large</u>			
1-in.			
1.5-in.			
2-in.			
3-in.			
6-in.			
10-in.			
2-2-in.			
3-2-in.			
2-3-in.			
Subtotal			
<u>Public Authority, Small</u>			
5/8 x 3/4-in.			
3/4-in			
1-in.			
1.5-in			
2-in.			
Subtotal			

(continued)



<b>Appendix B</b> Page 6 of 6
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>
<b>Adopted Quantities</b>

**9. Number of Services by Meter Size**

	<b><u>TY</u></b> <b><u>2006-2007</u></b>	<b><u>EY</u></b> <b><u>2007-2008</u></b>	<b><u>EY</u></b> <b><u>2008-2009</u></b>
<u>Public Authority, Large</u>			
1-in.			
1.5-in.			
2-in.			
3-in.			
4-in.			
6-in.			
10-in.			
2-2-in.			
3-2-in.			
4-2-in/			
Subtotal			
<u>Construction</u>			
Total Metered:			
<u>Private Fire service</u>			
7.78" diameter (avg.)			
Total Services			

(End appendix B)

<b>Appendix C</b> Page 1 of 1					
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>					
<u><b>Comparison of Bills</b></u>					
<b>Comparison of typical bills for residential metered customers of various usage levels and average level at present and authorized rates</b>					
<b>General Metered Service</b> <b>(5/8 x 3/4-inch meter)</b>					
		<u><b>Test Year 2006-2007</b></u>		<u><b>Test Year 2007-2008</b></u>	
<u><b>Monthly Usage (Ccf)</b></u>	<u><b>Present Rates</b></u>	<u><b>Authorized Rates</b></u>	<u><b>Percent Increase</b></u>	<u><b>Authorized Rates</b></u>	<u><b>Percent Increase</b></u>
5					
10					
20					
23 (avg)					
30					
50					
100					

(End of Appendix C)

<b>Appendix D</b> Page 1 of 1		
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>		
<u><b>Adopted Rates</b></u>		
<u><b>Schedule FO-1</b></u>	<u><b>Test Year 2006-2007</b></u>	<u><b>Test Year 2007-2008</b></u>
<u>Quantity Rates</u>		
Per 100 cu ft (Ccf)		
<u>Service Charges</u>		
Per service per month		
For 5/8 x 3/4-inch meter		
For 3/4-inch meter		
For 1-inch meter		
For 1-1/2-inch meter		
For 2-inch meter		
For 3-inch meter		
For 4-inch meter		
For 6-inch meter		
For 8-inch meter		
For 10-inch meter		
For 12-inch meter		
For Two 2-inch meters		
For Three 2-inch meters		
For Four 2-inch meters		
For Two 3-inch meters		
For Two 4-inch meters		
For One 8-inch and Two 2-inch meters		
For Two 8-inch meters		
<u><b>Schedule FO-4</b></u>		
Per service per month for each inch of diameter of service connection		
<u><b>Schedule FO-9C</b></u>		
For sidewalk construction, per 100 square feet.		
For street curb construction, per 100 lineal feet.		
For trench settling, per lineal foot of section of trench 2 feet by 4 feet.		
For sprinkling subgrade of street and roadway construction in application of oil or any form of patented oil paving or paving or surfacing, or for rolling and setting subgrade, per 3,000 square feet of roadway.		
For compaction of fill, per cubic yard of fill material.		
For water delivered to tank wagon or truck, per 100 gallons.		
Minimum Charge per month for any service rendered under this schedule.		
<u><b>Schedule FO-9CL</b></u>		
For each lot, for the construction period.		

(End of Appendix D)

**Appendix E**

Page 1 of 3

**Effect on Revenue Requirement of After-Tax Allocation of Gains on Sale of Property For the Period 7/17/04 to \_\_\_\_\_**

**A.05-08-021**  
**San Gabriel Valley Water Company**  
**Fontana Water Company Division**

	<u><b>Calendar Year</b></u>			
	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<b>Total 7/17/04 to 7/1/06</b>
Beginning Effect on Revenue Requirement of After-Tax Allocation of Gains on Sale of Property				
Adjustment to Depreciation Expense				
Adjust for 6 months				
Revenue Requirement for Adjustment for After-Tax Allocation of Gains on Sale of Property				

**Notes:**

The superseded Rate Case Plan in effect for D.04-07-034 required a Summary of Earnings on a calendar year basis, but rates in D.04-07-034 did not become effective until 7/17/04.

New rates resulting from A.05-08-021 are expected to become effective \_\_\_\_\_.

(continued)

**Appendix E**

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**Fontana Water Company**  
**Calculation of Effect on TY 2004 Rate Base and Revenue Requirement from After-Tax**  
**Allocation of Gains-on-Sale**

			2003			2004	
		<u>BOY</u> (a)	<u>EOY</u> (b)	<u>AVG</u> (c)	<u>BOY</u> (d)	<u>EOY</u> (e)	<u>AVG</u> (f)
	<b><u>RATE BASE</u></b>						
	<b><u>Plant</u></b>						
1	Adjustment						
	<b><u>Contributions</u></b>						
2	Adjustment						
3	Less 2.6% * Line 1						
4	Subtotal						
5	Adjustment – Additional Amount						
6	Less 2.6% * Line 5(half-year)						
7	Subtotal						
8	Total Contributions Adjustment						
	<b><u>Depreciation Expense</u></b>						
9	Plant Adjustment (Line 1)						
10	Plus 2.6% * Line 9						
11	Add'n Contributions Adjustment (Line 3 + 6)						
12	Total Depreciation Exp. Adjustment						
	<b><u>Deferred Taxes</u></b>						
13	Adjustment						
	<b><u>Accum. Depreciation</u></b>						
14	Adjustment						
15	Reverse Deprec. Adjustment (Line 10)						
16	Depreciation on Contributions (Line 6)						
17	Total Accum. Deprec. Adjustment						
	<b><u>Rate Base</u></b>						
18	Plant excluded from Rate Base per D.04-07-034 (Line 1)						
19	Contributions (Line 8)						
20	Accum. Depreciation (Line 17)						
21	Deferred Taxes (Line 13)						
22	<b>Net Additional Rate Base Adjustment</b>						
	<b><u>REVENUE REQUIREMENT</u></b>						
	<b><u>Return @9.4%</u></b>						
23	Change in Rate Base (Line 22)						
24	Change in Return (Line 23 * 9.40%)						
25	Line 24 times adopted N-T-G of 1.806051						
26	<b><u>Depreciation Expense (Line 12)</u></b>						
	<b><u>Ad Valorem Tax</u></b>						
27	Change in BOY Depreciated Plant (Line 1 less Line 14)						
28	Taxes @ 0.669%						
29	<b>Net Rev. Rqmt. Adjustment</b>						

(continued)

<b>Appendix E</b> Page 3 of 3					
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>					
<b>Calculation of After-Tax Allocation of Gains on Sale of Property From 1996 Through 2004</b>					
<b>Application Number 05-08-021</b> <b>As of January 1, 2004</b>					
				Allocation of Net Gains in Excess of Costs	
<u>Type of Sale</u>	<u>Net Gain</u>	<u>Legal Costs Incurred but Not Included in Rates or Memo A/C</u>	<u>Taxable Net Gain</u>	<u>50% Ratepayers</u>	<u>50% Shareholders</u>
Gains on Sale to Private Owners					
Gains on Contamination					
Gains on Service Duplication					
Gains on Condemnation					
Total Pre-Tax Gains					
Effective Federal and State Income Tax Rate					
Applicable Federal and State Income Taxes					
Taxable Net Gains on Sale of Property					
Less Federal and State Income Taxes					
Total After-Tax Gains					

Less amount already included in CIAC per D.04-07-034

Additional amount to be Treated as CIAC as of Beginning of Test Year 2004

(End of Appendix E)

<b>Appendix F</b> Page 1 of 4			
<b>Effect on Revenue Requirement of After-Tax Allocation of Gains on Sale of Property</b> <b>For test Year 2006-2007</b>			
<b>A.05-08-021</b> <b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>			
<b>SUMMARY OF EARNINGS and RATES OF RETURN</b> <b>At Adopted Rates</b> <b>(Dollars in Thousands)</b>			
	<b>Test Year 2006-2007</b>		
Operating Revenues			
Operating Expenses			
Purchased Water & Assessments			
Purchased Power			
Chemicals			
Payroll			
Materials & Supplies			
Transportation			
Pensions & Benefits			
Uncollectibles			
Franchise Fees			
Outside Services			
Insurance			
Other O&M Expense			
Other A&G Expense			
Bank Charges			
Subtotal			
Allocated Common			
Total Operating Expense			
Depreciation			
Ad Valorem Taxes			
Payroll Taxes			
Total Expense before Income Taxes			
Net Revenue Before Income Taxes			
State Income Tax			
Federal Income Tax			
Total Expenses			
Net Operating Revenues			
Rate Base			
Rate of Return			

(continued)

<b>Appendix F</b> Page 2 of 4						
<b>San Gabriel Valley Water Company</b> <b>Fontana Water Company Division</b>						
<b>Adopted Average Depreciated Rate Base</b> <b>(Dollars in Thousands)</b>						
	Test Year 2006-2007			Test Year 2007-2008		
<b>Description</b>						
Utility Plant						
Depreciation Reserve						
Net Utility Plant						
Less						
Advances						
Contributions						
<b>Contributions – Gain on Sale</b>						
Accumulated Deferred Income Tax						
Deferred Investment Tax Credit						
Subtotal						
Plus						
Materials and Supplies						
Operational Cash Requirement						
Working Cash – Lead Lag						
Tax on Advances and Contributions						
Investment – Fontana Union Water						
Net Common Plant Allocation						
Average Rate Base						

**Note:**

Table shows gains on sale increasing contributions and other resulting changes to rate base, i.e. effect on working cash-Lead Lag.

(continued)



**Appendix F**

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**San Gabriel Valley Water Company  
Fontana Water Company Division****Adopted Adjustments to Utility Plant**  
**(Dollars in Thousands)**

	<b><u>Estimated 2005</u></b>	<b><u>Test Year 2006-2007</u></b>	<b><u>Test Year 2007-2008</u></b>
<b><u>Advances for Construction</u></b>			
Beginning-of-year Balance			
Net Additions			
Refunds			
Transfers to Contributions			
Reclassifications			
End-of-Year Balance			
Average Balance			
<b><u>Contributions in Aid of Construction</u></b>			
Beginning-of-Year Balance			
CIAC – Gains on Sale			
Additions			
Transfers from Advances			
Depreciation Accrual			
<b><u>Depreciation – Gains on Sale</u></b>			
End-of-Year Balance			
Average Balance			

**Notes:** \$\_\_\_\_\_ added to Contributions as of January 1, 2004 and depreciated annually at the rate of 2.57%.

2004 =

2005 & thereafter =

The depreciated cost of F10 treatment facilities (\$2,349,525) was already added to Contributions as of January 1, 2004, per D.04-07-034.

(continued)

**Appendix F**

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**San Gabriel Valley Water Company  
Fontana Water Company Division**

**Calculation of After-Tax Allocation of Gains on Sale of Property From 1996 Through 2004  
Application Number 05-08-021 As of January 1, 2004**

<u>Type of Sale</u>	<u>Net Gain</u>	<u>Legal Costs Incurred but not included in Rates or Memo A/C</u>	<u>Taxable Net Gain</u>	<u>Allocation of net Gains in Excess of Costs</u>	
				<u>50% Ratepayers</u>	<u>50% Shareholders</u>
Gains on Sale to Private Owners					
Gains on Contamination					
Gains on Service Duplication					
Gains on Condemnation					
Total Pre-Tax Gains					
Effective Federal and State Income Tax Rate					
Applicable Federal and State Income Taxes					
Taxable Net Gains on Sale of Property					
Less Federal and State Income Taxes					
Total After-Tax Gains					
Less amount already included in CIAC per D.04-07-034					
Additional amount to be treated as CIAC as Beginning of Test Year 2004.					
Calculation of Combined Federal and State Income Tax Rate					
Federal Income Tax Rate					
California Income Tax Rate					
Federal Benefit of California Income Tax Deduction					
Combined Federal and State Income Tax Rate					

(End of Appendix F)